

TALKING POINTS: SOCIAL SECURITY AND TAXES

Topline Messaging:

- * John McCain believes we can fix Social Security without raising taxes. It's clear that he opposes increasing the Social Security payroll tax. He has never voted for a tax increase.
- * Barack Obama and the Democrats in Congress believe that the solution to fix Social Security is higher payroll taxes. John McCain will work to dissuade the Democrats that we need to raise taxes to fix Social Security.
- * If we're going to fix this problem, both sides need to come together in a good-faith effort. Everything is on the table because we need to have a good-faith effort, but John McCain opposes tax increases.
- * If the Democrats and Barack Obama change their mind and look for ways to fix Social Security other than tax increases, it would be off the table. That's the question for Barack Obama.

TALKING POINTS: OBAMA AND ENERGY

Topline Talking Points:

- * Senator Obama says he wants energy independence, but he is on record either opposing or criticizing every step we can take to achieve independence and provide the American people with relief from high energy prices.
- * Barack Obama opposes new drilling at home; opposes nuclear power; opposes encouraging invention of an advanced, affordable electric car; and even criticizes wind and hydropower.
- * Barack Obama has said every energy source has a problem. The fact is that every energy source needs to be part of the solution.
- * Barack Obama actually said that the only problem he has with higher gas prices is that they went up too fast. He would have "preferred a gradual" increase in gas prices.
- * Unlike Barack Obama, John McCain has laid out a clear strategy - the Lexington Project - that will provide the American people with much needed relief at the pump while moving our country toward energy independence by utilizing every energy source.
- * John McCain believes we need to develop new advanced alternative energies while developing more existing energies like nuclear power and clean coal.
- * Unlike Barack Obama, John McCain believes we need to develop our own offshore oil supplies if the states agree. This is a common-sense proposal that Senator Jim Webb (D-VA) supports.
- * Unlike Barack Obama, John McCain supports expanding the use of nuclear power.

* Unlike Barack Obama, John McCain has not proposed higher energy taxes. Barack Obama has called for a tax on coal and natural gas - the two largest sources of electricity in our country.

* Unlike Barack Obama, John McCain does not support the Windfall Profits Tax. Barack Obama's windfall profits tax was last tried under Jimmy Carter and it resulted in making America more dependent upon foreign sources of oil and lead to higher prices at the pump.

* Unlike Barack Obama, John McCain supports gas tax relief. Barack Obama forgets that he voted for a gas tax holiday while in the Illinois State Senate and even voiced his support for extending it.

* Barack Obama has a record of voting to increase taxes on energy, including natural gas purchases in Illinois.

* Barack Obama criticizes current energy policy, but it is the energy policy that he voted for in 2005 that gave billions in tax breaks to the same oil companies he so often decries.

Obama Pushback:

OBAMA CLAIM: John McCain has flip-flopped on lifting the drilling moratorium.

* FACT: Unlike Barack Obama, John McCain recognizes that the facts have changed on energy and that Americans are struggling with \$4 gas. Unlike Barack Obama, John McCain has proposed real solutions for the near term.

OBAMA CLAIM: Drilling offshore will not help lower gas prices today.

* FACT: If we do not start today, we will never lower gas prices by developing our own energy sources. Ending the moratorium sends an immediate signal to the market

OBAMA CLAIM: John McCain's gas tax holiday will deplete the transportation fund.

* FACT: John McCain's proposed gas tax legislation explicitly guarantees full funding of the Highway Trust Fund.

OBAMA CLAIM: Barack Obama will give instant relief to middle class Americans through another stimulus check.

* FACT: To pay for his economic stimulus, Barack Obama has proposed the Windfall Profits Tax which will only lead to higher gas prices and a greater dependency on foreign oil. Also, by tying his economic stimulus to a Windfall Profits Tax, Barack Obama has guaranteed that his plan will never pass. Also, the tax will not raise enough revenue to pay for his \$50 billion in refund checks.

* FACT: Economic Stimulus will not lower gas prices or expand energy supplies.

To: Interested Parties

From: Rick Davis, McCain Campaign Manager

Date: July 30, 2008

Re: Barack Obama's Celebrity

Barack Obama is the biggest celebrity in the world, comparable to Tom Cruise, Britney Spears and Paris Hilton. As he told Congressional Democrats yesterday, he has become the "symbol" for the world's aspirations for America and that we are now at "the moment ... that the world is waiting for."

Only a celebrity of Barack Obama's magnitude could attract 200,000 fans in Berlin who gathered for the mere opportunity to be in his presence. These are not supporters or even voters, but fans fawning over The One. Only celebrities like Barack Obama go to the gym three times a day, demand "MET-RX chocolate roasted-peanut protein bars and bottles of a hard-to-find organic brew -- Black Forest Berry Honest Tea" and worry about the price of arugula.

Yet, despite all of the fans, paparazzi and media adoration, the American people still have questions: Is Barack Obama prepared to lead? Is being famous the same as being a credible commander in chief?

Like most worldwide celebrities, this status has fueled a certain arrogance. As The Washington Post reported this morning, Barack Obama has gone from his party's presumptive nominee to "its presumptuous nominee." His advisers are constantly reminded that their candidate is not actually the President of the United States, despite the "presidential" seal. On his plane, his chair reads "President."

Barack Obama's presumptuous arrogance is staggering considering that as a United States Senator he has almost no record of accomplishment. As Richard Cohen wrote yesterday in The Washington Post:

"Just tell me one thing Barack Obama has done that you admire,' I asked a prominent Democrat. He paused and then said that he admired Obama's speech to the Democratic convention in 2004. I agreed. It was a hell of a speech, but it was just a speech. On the other hand, I continued, I could cite four or five actions -- not speeches -- that John McCain has taken that elicit my admiration, even my awe."

On issues big and small, there is a gap between Barack Obama's soaring rhetoric and celebrity and the facts behind them. What he says and what he does are often two very different things, leaving the American people to wonder what he actually believes, or if he believes in anything beyond himself. He says he will change Washington, but in the U.S. Senate, he has requested nearly \$1 billion in pork-barrel spending. He says he will only raise taxes on the rich, but he voted to raise the taxes of those making just \$32,000 per year. He says he wants energy independence, but he opposes new drilling at home; opposes nuclear power; and opposes encouraging the invention of an advanced, affordable electric car. On Iraq, he says he wants peace, but even today opposes the surge strategy that has succeeded and will succeed in Afghanistan. Our nation doesn't need another politician in Washington who puts his self-interest and political expediency ahead of problem-solving.

As the world's biggest celebrity, Barack Obama has the entourage and all the trappings of fame. Today, his campaign is more about advancing Barack Obama and less about solving the challenges facing our country.

IN CASE YOU MISSED IT:

McCain Campaign Conference Call On "Celeb" Television Ad

"Do the American people want to elect the world's biggest celebrity or do they want to elect an American hero, somebody who is a leader, somebody who has the right ideas to deal in a serious way with the problems we face?" -- Steve Schmidt

ARLINGTON, VA -- Today, U.S. Senator John McCain's presidential campaign held a press conference call with Rick Davis, McCain Campaign Manager, and Steve Schmidt, McCain Campaign Senior Adviser, on the campaign's latest ad entitled "Celeb":

Rick Davis: "I wanted to take an opportunity to bring you up to speed on the latest phase of the campaign we've entered in to. As you know over the course of the last two or three weeks, the Obama campaign began airing an add against John McCain about two weeks ago attacking some of his positions. We then opened up the same front of that campaign by last week beginning to ad an air that contrasted Senator McCain and Barack Obama's position on drilling. This is the second ad in that series that will focus on the distinction between Senator McCain and Barack Obama on energy prices. This ad obviously also addresses a unique facet in Barack Obama's campaign that is unlike any other campaign we've seen in modern political history. A campaign that is focused on the development of an enormous image of celebrity status. It is unique I think in the political realm for the last couple, certainly last three or four election cycles. And obviously, we pay some attention to that as the ad begins.

"The point we are making, if it hasn't escaped anybody, is that, you know, these images of celebrity status and the way he has conducted his campaign to date both in the kinds of events that he has and what he says at these events -- owe more to the development of an international celebrity status than it does to a traditional campaign for President. Maybe that's what the Obama campaign has intended, and we think it is worthy of some attention by our campaign. In the early aspects of the ad, we have images of other celebrities that demonstrate that the focus of the Obama campaign has been as much to create that celebrity status of his as it is to discuss the hard issues that the American public are forced to debate during the course of this campaign.

"We believe the distinction that is made in this ad is a man who clearly has got fans all around the world owing to the unique aspect of his trip to Europe where he held the first ever political rally abroad with his fans in Germany. I think it also shows a contrast on who is ready to lead. Barack Obama's campaign and he as a candidate have talked a lot about raising taxes on energy. He has a number of quotes in the past that have talked about taxing sources of energy such as coal and natural gas, both of which make up the majority of our power generation activity in this country. He is opposed to increased drilling and dropping the moratoriums in Congress against that. And obviously, another major facet of this campaign has been John McCain's debate on how to properly conduct the war against Islamic fundamentalism which is an issue that even though [Barack Obama] has had

many opportunities to discuss, has really avoided engaging in this topic. So , I think the add obviously stands for itself.

"We wanted to give you the opportunity to show how we feel about it and answer whatever questions you might have. I think people, and maybe certain polling trends indicate this, are beginning to make a distinction between the popularity that surrounds Barack Obama as a celebrity and the kinds of events that he puts on with his adoring fans, and there is a distinction I think in the American public's mind between that and actually having a political movement based on ideas and solutions. Senator McCain is prepared to lead this country and tackle the hard issues. He talks about them every day in town halls. He answers questions. He puts out policy initiatives and he is engaged in the debate in front of the American people. We think that is a significantly different kind of debate than is going on with our opponent."

...

Steve Schmidt: "I would say that is it beyond dispute that he has become the biggest celebrity in the world. It's a statement of fact. It's backed up by the reality of his tour around the world. He has many fans. The question that we are posing to the American people is this, is he ready to lead yet? And the answer to the question that we will offer to the American people is no that he is not.

"When you look at this election in terms of the economic crisis we are in Senator Obama has a track record of voting to raise taxes on people in the \$32,000 bracket, that's people make \$41,000 a year, these are middle income American. That's bad policy. That's bad for American families. We're in the middle of an energy crisis in this country. Senator Obama is opposed to more drilling. This is economic quackery. The price of oil is something that rises and falls based on supply and demand. We need to have more domestic production. Senator Obama is opposed to that. He wants to raise taxes on other sources of energy, which is a tax on people's electricity.

"And when we look at his compilation of bad ideas at a time of economic crisis, at a time when we're in an energy crisis, when we look at his bad judgment to our to regard national security situation and the two wars we are fighting. We will pose the question -- stipulating the fact that [Barack Obama] is the biggest celebrity in the world -- do the American people want

to elect the world's biggest celebrity or do they want to elect an American hero, somebody who is a leader, somebody who has the right ideas to deal in a serious way with the problems we face? And that will be the fundamental choice that Americans will make as they focus in on who to elect the 44th President of the United States 97 days from now. This is a close election. We've seen much presumption from the Obama campaign whether it is the construction of his own presidential seal and many other presumptuousness on his part and the American people will decide at the end of the day."